

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	WC Docket No. 05-337
High-Cost Universal Service Support)	
)	CC Docket No. 96-45
Federal-State Joint Board on Universal Service)	

COST STUDY FILING BY SAN ISABEL TELECOM, INC. UNDER THE LIMITED
EXEMPTION TO THE CURRENT COMPETITIVE ELIGIBLE
TELECOMMUNICATIONS CARRIER FUNDING CAP AND REQUEST FOR
FEDERAL UNIVERSAL SERVICE SUPPORT BASED ON THE FILED COST
STUDY

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**THE FCC CAP ORDER ALLOWS A LIMITED EXEMPTION FOR AN ETC
WHICH FILES COST BASED SUPPORT DATA.**

On May 1st, 2008 the Commission released an Order¹ freezing, by state, the amount of funding that could be obtained by Competitive Eligible Telecommunications Carriers (“ETCs”). The Order explained how annual support for competitive ETCs in each state will be capped at the level of support that competitive ETCs in that state were eligible to receive during March 2008, on an annualized basis.

The Order allowed for two limited exceptions to the fund cap.

“We adopt two limited exceptions to the operation of the interim cap. First, consistent with the ALLTEL-Atlantic Order and the AT&T-Dobson Order, we find it in the public interest to adopt a limited exception to the interim cap if a competitive ETC submits its own costs. Specifically, a competitive ETC will not be subject to the interim cap to the extent that it files cost data demonstrating that its costs meet the support threshold in the same manner as the incumbent LEC.

Second, we also adopt a limited exception to the interim cap for competitive ETCs that serve tribal lands or Alaska Native regions (the Covered Locations). We permit competitive ETCs serving Covered Locations to continue to receive

¹ See in the Matter of High-Cost Universal Service Support, Federal-State Joint Board on Universal Service, Alltel Communications, Inc., et al. Petitions for Designation as Eligible Telecommunications Carriers, RCC Minnesota, Inc. and RCC Atlantic, Inc. New Hampshire ETC Designation Amendment, Order (“FCC Cap Order”), WC Docket No. 05-337 and CC Docket No. 96-45, released May 1, 2008.

*uncapped high-cost support for lines served in those Covered Locations. Because many tribal lands have low penetration rates for basic telephone service, we do not believe that competitive ETCs are merely providing complementary services in most tribal lands, as they do generally.”*²

With this filing, San Isabel Telecom, Inc. (San Isabel) is submitting a cost study that complies with the first exception in the FCC Cap Order. San Isabel is a provider of telecommunications services in the Vail Valley of Colorado. The service area covers territory that is in two Incumbent LECs study areas. San Isabel has been certified as an Eligible Telecommunication Provider (ETC) in the portion of the service area where Century Telephone Company is the Incumbent LEC. The cost study provided with this submission covers only the service area where San Isabel has been designated an ETC. In 2008 San Isabel received \$89,839 in support under the identical support rule. The 2008 cost data as shown in the cost study San Isabel is submitting shows that San Isabel should receive \$764,658 in high cost support for the high cost, low density areas that it serves. This cost-based support level was calculated using the same High Cost Loop (HCL) model and Local Switching Support (LSS) model as used by rural incumbent LECs and the ICLS support was calculated using the methodology submitted by GVNW Consulting in an Ex parte filing³ on August 8th, 2008 in WC Docket No. 05-337 and CC Docket No. 96-45.

² Id. Para 31-32

³ GVNW Consulting, August 8th, 2008 Ex Parte filing in WC Docket No. 05-337 and CC Docket No. 96-45

COST METHODOLOGY

As a wireline CLEC, San Isabel used the existing models for computing the HCL support and the LSS support. For ICLS, the company used the alternative methodology submitted as part of the WiPan Costing Methodology applicable to wireless ETCs. The model calculates an equivalent Interstate Common Line Support (ICLS) in order to allow the company to receive support applicable to recovery of common line costs. This amount is similar to that received by ILECs that was a replacement for funding previously provided by interstate access revenue. In order to avoid requiring CETCs to complete a full "Part 36/69 cost study" process, WiPan developed a methodology patterned after the existing ILEC ICLS support mechanism. As shown in the attachment, the model employs a calculation that uses as its foundation the unseparated loop cost and then requires no additional inputs other than those already required for the loop cost support calculation or data that is publicly available. Based on the loop costs calculated in the HCL model and common line revenue levels similar to those applicable to ILECs, San Isabel's equivalent ICLS is \$187,972.

SUMMARY OF RESULTS FOR ALL THREE HIGH COST MECHANISMS FOR SAN ISABEL

The attached cost summaries, in compliance with the FCC's Cap Order, demonstrate that the annual universal service support amount of \$764,658 is required for San Isabel to provide the required universal services in the high cost and low customer density areas where San Isabel has been designated as an ETC in Colorado. As discussed previously, this total cost based support is composed of:

- High Cost Loop Support - \$465,399 (Attachment A)
- Local Switching Support - \$111,287 (Attachment B)
- ICLS - \$187,972 (Attachment C)
- Total Cost Based Support- \$764,658

RELIEF REQUESTED BY SAN ISABEL

San Isabel has fulfilled the requirements of the exception to the Commission's CETC universal service support Cap Order by performing the attached cost analysis demonstrating that its costs meet the universal service support threshold in the same manner as ILECs. Based on the cost information submitted herein, San Isabel requests that the Commission direct USAC to begin distributing the required \$764,658 in cost based support, as summarized above, annually to San Isabel immediately.

NATIONAL EXCHANGE CARRIER ASSOCIATION UNIVERSAL SERVICE FUND DATA COLLECTION FORM

GVNW

04-Jun-09

EXCHANGE CARRIER NAME: San Isabel Telecom, Inc.

W:\JMD\San Isabel\San Isabel-USF-2009-1.XLS\Algorithm

DESCRIPTION	DATA	2008 - 1 DATA	2009 - 1 DATA BEFORE CORPORATE LIMITATION	2009 - 1 DATA AFTER CORPORATE LIMITATION	DESCRIPTION	DATA	2008 - 1 DATA	2009 - 1 DATA BEFORE CORPORATE LIMITATION	2009 - 1 DATA AFTER CORPORATE LIMITATION
Study Area Code	(010)		469004		Acct 6220	(380)	0	0	0
Contact name	(020)		JIM DURANT		Acct 6220 - Benefits	(385)	0	0	0
Contact Telephone Number	(030)		503-612-4417		Acct 6220 - Rents	(390)	0	0	0
USF Data Submission Period Code	(040)		2009 - 1		Acct 6230	(395)	0	82,308	82,308
Total Loops	(060)	0	840	840	Acct 6230 - Benefits	(400)	0	11,881	11,881
Category 1.3 Loops	(070)	0	840	840	Acct 6230 - Rents	(405)	0	0	0
RESERVED (NO ENTRY REQUIRED)	(080)				Acct 6210 - 6230 Total	(410)	0	190,237	190,237
Acct 2001	(160)	0	2,558,888	2,558,888	RESERVED (NO ENTRY REQUIRED)	(415)			
Acct 1220	(170)	0	0	0	RESERVED (NO ENTRY REQUIRED)	(420)			
Acct 3100	(190)	0	1,254,441	1,254,441	RESERVED (NO ENTRY REQUIRED)	(425)			
Acct 3400	(195)	0	0	0	Acct 6410	(430)	0	360,382	360,382
RESERVED (NO ENTRY REQUIRED)	(200)				Acct 6410 - Benefits	(435)	0	12,841	12,841
RESERVED (NO ENTRY REQUIRED)	(205)				Acct 6410 - Rents	(440)	0	0	0
Acct 4340	(210)	0	0	0	Total Plant Specific Expense	(445)	0	711,565	711,565
Net Plant Investment	(220)	0	1,304,447	1,304,447	Acct 6530	(450)	0	144,384	144,384
Acct 2210	(230)	0	688,493	688,493	Acct 6530 - Benefits	(455)	0	17,818	17,818
Acct 2220	(235)	0	0	0	RESERVED (NO ENTRY REQUIRED)	(465)			
Acct 2230	(240)	0	707,933	707,933	RESERVED (NO ENTRY REQUIRED)	(470)			
Total Central Office Equipment	(245)	0	1,396,426	1,396,426	RESERVED (NO ENTRY REQUIRED)	(480)			
Circuit Equipment Category 4.13	(250)	0	671,182	671,182	RESERVED (NO ENTRY REQUIRED)	(485)			
Acct 2410	(255)	0	1,044,757	1,044,757	RESERVED (NO ENTRY REQUIRED)	(500)			
Acct 3100 (2210)	(260)	0	481,684	481,684	RESERVED (NO ENTRY REQUIRED)	(505)			
Acct 3100 (2220)	(265)	0	0	0	Acct 6560 (2210)	(510)	0	4,261	4,261
Acct 3100 (2230)	(270)	0	440,264	440,264	Acct 6560 (2220)	(515)	0	0	0
Acct 3100 (2210-2230) - Total	(275)	0	921,948	921,948	Acct 6560 (2230)	(520)	0	67,532	67,532
Acct 3100 (2410)	(280)	0	221,898	221,898	Acct 6560 (2210-2230)	(525)	0	71,793	71,793
RESERVED (NO ENTRY REQUIRED)	(285)				Acct 6560 (2410)	(530)	0	41,407	41,407
RESERVED (NO ENTRY REQUIRED)	(290)				Acct 6710	(535)	#DIV/0!	0	0
RESERVED (NO ENTRY REQUIRED)	(295)				Acct 6710 Benefits	(540)	0	0	0
RESERVED (NO ENTRY REQUIRED)	(300)				Acct 6720	(550)	#DIV/0!	190,566	190,566
RESERVED (NO ENTRY REQUIRED)	(305)				Acct 6720 - Benefits	(555)	0	13,170	13,170
Acct 4340 (2210)	(310)	0	0	0	Total Corporate Operations	(565)	#DIV/0!	190,566	190,566
Acct 4340 (2220)	(315)	0	0	0	Benefits Portion of All Expenses	(600)	0	92,863	92,863
Acct 4340 (2230)	(320)	0	0	0	Rents Portion of All Expenses	(610)	0	140,795	140,795
Acct 4340 (2210- 2230)	(325)	0	0	0	RESERVED (NO ENTRY REQUIRED)	(620)			
Acct 4340 (2410)	(330)	0	0	0	RESERVED (NO ENTRY REQUIRED)	(630)			
Acct 6110	(335)	0	0	0	Acct 7200 - Operating Taxes	(650)	0	21,743	21,743
Acct 6110 - Benefits	(340)	0	0	0	RESERVED (NO ENTRY REQUIRED)	(655)			
Acct 6110 - Rents	(345)	0	0	0	Cost Study Average C&WF	(700)	0	1,044,757	1,044,757
Acct 6120	(350)	0	160,946	160,946	Cost Study Average C&WF Cat. 1.3	(710)	0	1,044,757	1,044,757
Acct 6120 - Benefits	(355)	0	0	0	Acct 2680	(800)	0	0	0
Acct 6120 - Rents	(360)	0	140,789	140,789	Acct 2680 (2230)	(805)	0	0	0
Acct 6210	(365)	0	107,929	107,929	Acct 2680 (2230) Cat. 4.13	(810)	0	0	0
Acct 6210 - Benefits	(370)	0	9,525	9,525	Acct 2680 (2410)	(815)	0	0	0
Acct 6210 - Rents	(375)	0	0	0	Acct 2680 (2410) Cat. 1	(820)	0	0	0
					Acct 2680 (2680) - Depreciation	(830)	0	0	0

USF ALGORITHM

EXCHANGE CARRIER NAME: San Isabel Telecom, Inc.

W:\JMD\San Isabel\San Isabel-USF-2009-1.XLS\Algorithm

AL	2008 - 1 DATA	2009 - 1 DATA BEFORE CORP. LIMITATION	2009 - 1 DATA AFTER CORP. LIMITATION
1. C&WF plus C&WF portion of Capital Leases assigned Cat 1. [Acct 2410 x (C&WF Cat 1/Acct 2410 Cost Study)] + C&WF Cat 1 of Capital Leases	#DIV/0!	1,044,757	1,044,757
2. COE plus COE portion of Capital Leases assigned 4.13. (COE Cat 4.13) + (COE Cat 4.13 of Capital Lease)	0	671,182	671,182
3. "A" Factor - C&WF. AL1/(Acct 2410 + Acct 2680.2410)	#DIV/0!	1.0000	1.0000
4. "B" Factor - COE. AL2/[Accts (2210+2220+2230)+(2680.2230)]	#DIV/0!	0.4806	0.4806
5. "C" Factor - C&WF Gross Allocator. AL1/Acct 2001	#DIV/0!	0.4083	0.4083
6. "D" Factor - COE Gross Allocator. AL2/Acct 2001	#DIV/0!	0.2623	0.2623
7. Mat. & Suppl. Assigned to C&WF Cat 1 AL5 x Acct 1220	#DIV/0!	0	0
8. Materials & Supplies Assigned to COE Cat 4.13. AL6 x Acct 1220	#DIV/0!	0	0
9. C&WF Cat 1 assignment of Accumulated Depr and Net Noncurrent Def. Oper. Income Taxes. AL3 x [(Accts 3100.2410 + 4340.2410) + (Accts 2680.2410/2680) x Acct 3400]	#DIV/0!	(221,898)	(221,898)
10. COE Cat 4.13 assignment of Accumulated Depr and Net Noncurrent Def. Oper. Income Taxes. AL4 x [(Accts 3100.COE + 4340.COE) + ((Accts 2680.COE/2680) x Acct 3400)]	#DIV/0!	(443,128)	(443,128)
11. "E" Factor - Net CW&F Allocator. (AL1 + AL7 - AL9)/Accts (2001+1220-3100-4340)	#DIV/0!	0.6308	0.6308
12. "F" Factor - Net COE Allocator. (AL2 + AL8 - AL10)/Accts (2001+1220-3100-4340)	#DIV/0!	0.1748	0.1748
13. C&WF Maintenance Expense assigned Cat 1 AL3 x (Acct 6410- Benefits - Rents)	#DIV/0!	347,541	347,541
14. COE Maintenance Expense assigned Cat 4.13 AL4 x (Accts 6210 thru 6230 - Benefits - Rents)	#DIV/0!	81,147	81,147
15. General Support Expenses assigned C&WF Cat 1 and COE Cat 4.13. (AL5 + AL6) x (Accts 6110 + 6120 - Benefits - Rents)	#DIV/0!	13,517	13,517
16. Network Operation Expense assigned CW&F Cat 1 and COE Cat 4.13. (AL5 + AL6) x (Accts 6530 - Benefits)	#DIV/0!	84,873	84,873
17. Depreciation Expense assigned to C&WF Cat 1. AL3 x [(Acct 6560.241)+(Acct 2680.241/	#DIV/0!	41,407	41,407

SAC: 469004

GVNW
04-Jun-09

	2008 - 1 DATA	2009 - 1 DATA BEFORE CORP. LIMITATION	2009 - 1 DATA AFTER CORP. LIMITATION
18. Depreciation Expense assigned to COE Cat 4.13. AL4 x [(Acct 6560.COE)+(Acct 2680.2230/Acct 2680)xAcct 2680.6560]]	#DIV/0!	34,507	34,507
19. Corporate Operations Expenses assigned CW&F Cat 1 and COE Cat 4.13 (AL5 + AL6) x (Acct 6710 + Acct 6720 - Benefits)	#DIV/0!	118,958	118,958
20. Operating Taxes assigned C&WF Cat 1 and COE Cat 4.13. (AL5 + AL6) x Acct 7200	#DIV/0!	14,580	14,580
21. Benefits assigned C&WF Cat 1 and COE Cat 4.13 (AL5 + AL6) x Benefits	#DIV/0!	62,272	62,272
22. Rents assigned C&WF Cat 1 and COE Cat 4.13 (AL5 + AL6) x Rents	#DIV/0!	94,414	94,414
23. Return component of C&WF Cat 1 (AL1 + AL7 - AL9) x .1125 (.12 for '90)	#DIV/0!	92,572	92,572
24. Return component of COE Cat 4.13. (AL2 + AL8 - AL10) x .1125 (.12 for '90)	#DIV/0!	25,656	25,656
25. Unseparated USF costs for the Study Area. Sum of lines AL13 thru AL24	#DIV/0!	\$1,011,444	\$1,011,444
26. Study Area USF costs per Loop AL25/Loops	#DIV/0!	\$1,204.10	\$1,204.10
27. National Average (Through 6/30/08)	\$344.21	\$388.89	\$388.89
28. National Average X 1.15	\$395.84	\$447.22	\$447.22
29. National Average X 1.50	\$516.32	\$583.34	\$583.34
30. Amount of cost per loop over 150% of National Average	#DIV/0!	\$620.77	\$620.77
31. Applicable loop cost between 115%-150%	#DIV/0!	\$136.11	\$136.11
32. Expense adjustment at .65 rate	#DIV/0!	\$88.47	\$88.47
33. Expense adjustment at .75 rate	#DIV/0!	\$465.57	\$465.57
34. Total expense adjustment	#DIV/0!	\$465,399.15	\$465,399.15
EIGHT YEAR PHASE IN SCHEDULE	N/A	N/A	N/A
	#DIV/0!		
	#DIV/0!		
	#DIV/0!		
	#DIV/0!		
	#DIV/0!		
	#DIV/0!		
	#DIV/0!		
USF SUPPORT	100.00%	465,399	465,399
To be received in:	2009 ↑		2010 ↑

ATTACHMENT B

LOCAL SWITCHING SUPPORT DATA COLLECTION FORM COST COMPANY

Approved by OMB
3060-0814

Ave. Burden Estimate per Respondent: 24 Hours

(010)	Exchange Carrier Study Area Code	(010)	469004
(020)	Exchange Carrier Study Area Name	(020)	San Isabel Telcom, Inc.
(023)	Data Period	(023)	2008
(025)	Submission Period (Check One)	Original Projection <input type="checkbox"/>	True-up to Actual <input checked="" type="checkbox"/>

(030)	Contact Name: Person USAC should contact for questions about this data	(030)	JIM DURANT
(040)	Contact Telephone Number: Number of the person identified in Data Line (030).	(040)	503-612-4417
(045)	Tax Status (Y = Taxable, N = NonTaxable)	(045)	Y

II. WORKING LOOPS & DIAL EQUIPMENT MINUTE FACTOR

(050)	Category 1.3 Loops: Enter the count of Category 1.3 Loops excluding Category 1.3 TWX (Teletypewriter Exchange service) loops.	(050)	840
(060)	1996 Interstate Unweighted Dial Equipment Minute (DEM) Factor used in 1996 Cost Study (n.nnnnnn)	(060)	0.150000
(070)	1996 DEM Weighting Factor (n.n)	(070)	3.0

III. INVESTMENT, PLANT OPERATIONS EXPENSE AND TAXES

	<u>Total Account</u>	<u>Local Switching</u>
(100) Account 2001 - Telecommunication Plant in Service	(100) 2,558,888	
(110) Account 2210 - Central Office Switching Equipment	(110) 688,493	
(115) Account 2210 Cat. 3 - COE Category 3 (local switching)	(115) 688,493	\$688,493
(120) Account 2220 - Operator System Equipment	(120)	
(130) Account 2230 - Central Office Transmission Equipment	(130) 707,933	
(140) Total Central Office Equipment [Sum of Data Lines (110) + (120) + (130)]	(140) 1,396,426	
(150) Account 2310 - Information Origination/Termination	(150)	
(160) Account 2410 - Cable and Wire Facilities	(160) 1,044,757	
(170) Account 2110 - General Support Facilities	(170) 114,792	\$32,375
(180) Account 2680 - Amortizable Tangible Assets	(180) 0	\$0
(190) Account 2690 - Intangibles	(190) 0	\$0
(200) Account 2002 - Property Held for Future Telecommunications Use	(200) 0	\$0
(210) Account 2003 - Telecommunications Plant Under Construction	(210) 0	\$0
(220) Account 2005 - Telecommunications Plant Adjustment	(220) 0	\$0
(230) Account 1402 - Investments in non-Affiliated Companies (Rural Telephone Bank Stock)	(230) 0	\$0
(240) Account 1220 - Materials and Supplies	(240) 0	\$0
(250) Cash Working Capital	(250) 0	\$0
(260) Account 3100 - Accumulated Depreciation-Switching	(260) 481,684	\$481,684

**LOCAL SWITCHING SUPPORT
DATA COLLECTION FORM
COST COMPANY**

Approved by OMB
3060-0814
Ave. Burden Estimate per Respondent: 24 Hours

(010)	Exchange Carrier Study Area Code	(010)	<u>469004</u>
(020)	Exchange Carrier Study Area Name	(020)	<u>San Isabel Telecom, Inc.</u>
(023)	Data Period	(023)	<u>2008</u>
(025)	Submission Period (Check One)	Original Projection	<input type="checkbox"/> True-up to Actual <input checked="" type="checkbox"/>

(265)	Account 3100 - Accumulated Depreciation-Support Assets	(265)	<u>110,249</u>	<u>\$29,663</u>
(270)	Account 4100 - Net Deferred Operating Income Taxes	(270)	<u>0</u>	<u>\$0</u>
(280)	Account 4340 - Net Noncurrent Operating Income Taxes	(280)	<u>0</u>	<u>\$0</u>
(290)	Account 3400 - Accumulated Amortization - Tangible	(290)	<u>0</u>	<u>\$0</u>
(300)	Account 3500 - Accumulated Amortization - Intangible	(300)	<u>0</u>	<u>\$0</u>
(310)	Account 3600 - Accumulated Amortization - Other	(310)	<u>0</u>	<u>\$0</u>
(320)	Account 6110 - Network Support Expense	(320)	<u>0</u>	<u>\$0</u>
(330)	Account 6120 - General Support Expense	(330)	<u>160,946</u>	<u>\$45,392</u>
(340)	Account 6210 - Central Office Switching Expense	(340)	<u>107,929</u>	<u>\$53,213</u>
(350)	Account 6220 - Operator Systems Expense	(350)	<u>0</u>	<u>\$0</u>
(360)	Account 6230 - Central Office Transmission Expense	(360)	<u>82,308</u>	<u>\$40,581</u>
(361)	Account 6310 - Information Origination/Termination Expense	(361)	<u>0</u>	
(362)	Account 6410 - Cable and Wire Facilities Expense	(362)	<u>360,382</u>	
(370)	Account 6510 - Other Property Plant and Equipment Expense	(370)	<u>0</u>	<u>\$0</u>
(380)	Account 6530 - Network Operations Expense	(380)	<u>144,384</u>	<u>\$38,848</u>
(381)	Account 6540 - Access Expense	(381)	<u>0</u>	
(390)	Account 6610 - Customer Services Marketing Expense	(390)	<u>0</u>	<u>\$0</u>
(400)	Account 6620 - Customer Operations Services Expense	(400)	<u>194,535</u>	<u>\$52,341</u>
(410)	Account 6710 - Executive and Planning Expense	(410)	<u>91,223</u>	<u>\$18,970</u>
(420)	Account 6720 - Corporate Operations Expense	(420)	<u>99,333</u>	<u>\$20,657</u>
(430)	Account 7230 - Operating State and Local Income Taxes	(430)	<u>0</u>	<u>\$0</u>
(440)	Account 7240 - Operating Other Taxes	(440)	<u>21,743</u>	<u>\$5,850</u>
(450)	Account 7210 - Operating Investment Tax Credits - net	(450)	<u>0</u>	<u>\$0</u>
(460)	Account 7250 - Provision for Deferred Operating Income Taxes -net	(460)	<u>0</u>	<u>\$0</u>
(470)	Account 6560 - Depreciation and Amortization Expense-Switching	(470)	<u>67,532</u>	<u>\$67,532</u>
(475)	Account 6560 - Depreciation and Amortization Expense-Support	(475)	<u>4,261</u>	<u>\$1,146</u>
(480)	Account 7370 - Charitable Contributions only	(480)	<u>0</u>	<u>\$0</u>

LOCAL SWITCHING SUPPORT
DATA COLLECTION FORM
COST COMPANY

Approved by OMB
3060-0814
Ave. Burden Estimate per Respondent: 24 Hours

(010) Exchange Carrier Study Area Code (010) 469004
(020) Exchange Carrier Study Area Name (020) San Isabel Telecom, Inc.
(023) Data Period (023) 2008
(025) Submission Period (Check One) Original Projection ☐ True-up to Actual ☒

(490)	Account 7500 - Interest and Related Items	(490)	<u>67,906</u>	<u>\$18,271</u>
(500)	Account 7340 - Allowance for Funds Used During Construction	(500)	<u>0</u>	<u>\$0</u>
(510)	Account 1410 - Other Non-current Assets	(510)	<u>0</u>	<u>\$0</u>
(520)	Account 1500 - Other Jurisdictional Assets - net	(520)	<u>0</u>	<u>\$0</u>
(530)	Account 4370 - Other Jurisdictional Liabilities and Deferred Credits - net	(530)	<u>0</u>	<u>\$0</u>
(540)	Account 4040 - Customer Deposits	(540)	<u>0</u>	<u>\$0</u>
(550)	Account 4310 - Other Long-Term Liabilities	(550)	<u>0</u>	<u>\$0</u>
(560)	Account 1438 - Deferred Maintenance and Retirements	(560)	<u>0</u>	<u>\$0</u>

A Factor	((COE Category 3)/(COE+CWF+IOT))	<u>0.282033</u>
B Factor	(COE Category 3/Total Plant In Service)	<u>0.269059</u>
C Factor	(COE Category 3/Total COE)	<u>0.493039</u>
D Factor	(COE 3 Expense/Big 3 Expense)	<u>0.207955</u>
E Factor	(COE 3/COE Switching)	<u>1.000000</u>

Current Period Net Investment	<u>\$209,521</u>
Prior Period Net Investment	<u>\$209,521</u>
Average Net Investment	<u>\$209,521</u>
Return on Investment	<u>\$23,571</u>
Federal Taxable Income	<u>\$5,300</u>
Federal Income Tax Requirement	<u>\$2,854</u>
Expenses and Other Taxes	<u>\$344,531</u>
Local Switching Revenue Requirement	<u>\$370,956</u>
Local Switching Support	<u>\$111,287</u>

WiCAC EQUIVALENT SCOPE and SCALE SUPPORT (ESSS)

Company Name	San Isabel Telcom, Inc.		
Study Area Code	469004		
WiCAC Unseparated Loop Cost	\$	1,013,967	
Base Allocation Factor		25%	
Interstate Loop Cost		\$	253,492
Voice Lines		840	
Monthly EUCL at \$6.50	\$	5,460	
Annual End User Access Imputation		\$	65,520
ESSS Support		\$	187,972